

APEX Grant is Apprentice Gateway

During the dog days of summer in August, 12 high school students from the Mankato area participated in a two-week, all day trades exploration workshop at Mankato West High School. During the course of ten days they learned about specific trades by actually doing an interactive project. They also had time to talk with the visiting union instructor about technique as well as training requirements for each trade and their career opportunities.

The student workshop was a by-product of one of the Construct Tomorrow events held in that area said Stacey Karels, business representative for LiUNA Local 563. "We all wanted to take that experience to the next level," he said. "A real hands-on experience of what the trades do on a daily basis." Even though the workshop was rescheduled from June to late summer and a myriad of COVID-19 requirements had to be met, it was a success. While the initial number of 20 students who signed up was pared down to 12, it made an impact and will be done again next summer.



"It's a credit to those involved," said Rick Martagon, state program administrator for Apprenticeship Minnesota at the Department of Labor and Industry (MnDLI). "They knew about the funding and put together a fantastic proposal." The funding

came in the form of an Apprenticeship Expansion (APEX) grant. The goal of the grant is to fund career explorations and readiness programs with a direct link to registered apprenticeship in order to get those qualified into a skilled job.



Credit: FCF-Vince Muzik

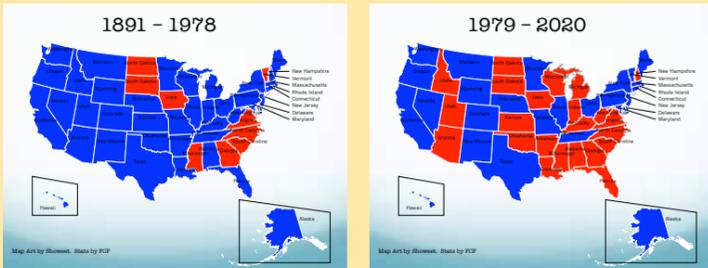


Credit: FCF-Vince Muzik

"If we can be a partner and provide financing, we are happy to do it," explained John Aiken, director of labor standards & apprenticeship at MnDLI. Since January 2019, MnDLI has made grants worth \$200,000 to eight different organizations. While the APEX grant may be disappearing soon, other US Department of Labor funding will take its place to expand registered apprenticeship in the state.

Prevailing Wage Always on the Ballot

Even though prevailing wage does not make headlines as a central campaign issue, it is always on the ballot, especially for state-level races. Since 2015, opponents of prevailing wage have successfully repealed the law in Indiana, West Virginia, Kentucky, Arkansas, Wisconsin, and Michigan. And they are always searching for opportunities to repeal the law in other states if the political environment enables them to do so.



Prevailing wage is the central pillar upholding high standards in the construction industry, and allows us to make the investments that ensure Minnesota contractors and workers are among the best in the world. Please keep this in mind as you cast your votes in November.



For more news and information please visit the News section of FCF's Website

Richfield Passes Prevailing Wage Ordinance

On September 8 the Richfield City Council unanimously voted to protect local contractors, local workers, and its local economy by adopting a prevailing wage ordinance. The city is also taking steps to promote compliance with general labor and employment laws on developments within its boundaries. By enacting a prevailing wage ordinance for public construction and working to protect labor standards on private developments, Richfield is taking concrete steps to prevent unscrupulous, bottom-of-the-barrel contractors from obtaining competitive advantages. This in turn protects the quality of construction in Richfield and promotes middle class careers. FCF was proud to be part of the coalition that helped get this new law passed.



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Enforcement Updates

Given the economic uncertainties caused by the global pandemic it is more important than ever to be vigilant when it comes to preserving labor and quality standards on public construction. Due to the mandatory low-bid nature of public construction, when work is limited the incentive to cut corners and cheat can dramatically increase.

- The Minnesota Department of Labor and Industry collected approximately \$320,000 from Millennium Concrete in Coralville, Iowa. Millennium had underpaid its employees by this amount on the Digi-Key expansion project, which had received public money from the Department of Employment and Economic Development. This case highlights the need for strong prevailing wage protections and strong compliance work in Minnesota. Millennium came from out-of-state and underbid local contractors who would have put local workers on the project.

- Minnesota Controls Solutions was penalized by DLI based on FCF's complaint. Minnesota Controls Solutions received a \$10,000 penalty, with \$6,000 stayed, due to violations of codes and licensing requirements. These types of violations can serve as another way to secure an unfair advantage in the competitive bidding process.
- In April a federal administrative law judge ruled in favor of the U.S. Department of Labor and ordered that Jamek Engineering be debarred from federal work for a period of three years due to serious Davis-Bacon violations. This is a very rare result and while FCF understands the decision is under appeal, it is still a significant achievement for regional compliance enforcement.

Newly Certified 2020-21 Highway/Heavy Rates are Published and Commercial Prevailing Wage Rates Will Be Coming Soon

The Minnesota Department of Labor and Industry schedule for publishing new Highway/Heavy and Commercial rates are below:

Highway/Heavy Rates Certified on September 28, 2020

Commercial Rates October or November 2020 (**much earlier than normal)

These rates will be based on wage surveys collected between April 6, 2019, and June 5, 2020. All state-funded construction work is required to pay a wage that is at least the Minnesota state prevailing wage.

We encourage you to get on the email notification list so that when prevailing wage rates change you will be notified directly by MnDLI. Use the options at the site below to get on the prevailing wage email list: <http://www.dli.mn.gov/about-department/news-and-media/sign-news-department-labor-and-industry>

The current published prevailing wage rates can be found at: <http://www.dli.mn.gov/business/employment-practices/prevailing-wage-information>

When the new rates are certified you have 30 days to identify potential mistakes and bring those to the attention of MnDLI by sending an email to Karen.Bugar@state.mn.us with an explanation of why the rate should be reviewed.

If you have questions about published rates, FCF staff are available to assist in reviewing rates by calling 651-797-2726.

Current Prevailing Wage Survey Collection

As of Oct. 1, 2020, we are **six months** into our next state prevailing wage survey collection period using wages paid between April 2020 and about early June 2021. Those surveys will be used to calculate new rates, which will get published in October/November 2021.

The surveys can be entered now. For more information about the annual survey go to: <http://www.dli.mn.gov/business/employment-practices/prevailing-wage-annual-statewide-survey>

If you have any questions about entering surveys after reviewing the MnDLI website above, please call FCF at 651-797-2726.

NECA and FCF Collaborating on Contractor Wage Survey Training

Planning is in the works to provide NECA contractors prevailing wage survey training. This will be remote training via Zoom with a question and answer session to follow. Several sessions will be offered.

If there are other contractors or organizations interested in prevailing wage training, please contact FCF at 651-797-2726 and ask for Gary or Adam.

Trades on Target

With a long way to go and a short time to get there, Minnesota Building Trades' members are working swiftly to reconstruct the Target store on Lake Street in Minneapolis. That location was ground zero for the protests and destruction following the George Floyd tragedy in late May, a site featured on CNN's reporting during the melee.



Credit: FCF-Vince Muzik

The new store will reopen in mid-November, marking Target Corporation's commitment to that inner city community who rely on its products and services. But the damage was so extensive it required almost a complete rebuild. In fact, the store will be a wholesale redesign from the previous version. "We gutted the building down to the bones of it," explained project manager Dan Ibrahim.

"Everything had to be pulled out of here. Every fixture, every piece of duct work, most of the electrical... really the only thing inside that was reused was some in-floor plumbing."

The store covers 126,000 square feet. To get it open by mid-November requires doing six months of work in 12 weeks according to Ibrahim. "We've got people running day and night, running two shifts, 6 a.m. to 2 a.m., six days a week." Between interior build out and the exterior work, all the different trades have worked on the project. On the inside, there's everything from electrical work, plumbing, sprinkler fitting, glass fitting and painting, to pipefitting. The outside will have not only a whole new façade, but new concrete, asphalt, paint, and structural steel. "There's just a variety of contractors out here," Ibrahim said.

It's been a unique work experience for many trades workers. "This is the first supermarket I've done," said Howard R. Dixon Jr., a member of Local 539 Pipefitters. "The Nor guys have been pretty great with us and it's definitely much cooler working in here (during the summer)."

It's the first job ever for Mai See who's been a carpenters union member for just a month. A graduate of the North Central States Regional Council of Carpenters APEX class for women and minorities, Mai is working with her husband who also graduated from the program. "It's fast-paced, but it's great," she said.



Credit: FCF-Vince Muzik

Construction Underway for Fargo-Moorhead Flood Diversion Project

Construction is currently underway for the \$2.75 billion Fargo-Moorhead Flood Diversion project. The flood diversion project consists of the construction of concrete structures, floodgates, floodwalls, levees, and a 30-mile long channel to divert floodwaters from the Fargo-Moorhead area. According to the Fargo-Moorhead Flood Diversion Authority, once completed the project will protect upward of 235,000 people from 'potentially catastrophic flooding.'

The Flood Diversion Project is funded through a combination of federal and state sources from both North Dakota and Minnesota. Due to the public financing for this project, all construction workers on the multi-year project can expect to receive prevailing wages for their work. The size of this project combined with the prevailing wage requirement is expected to greatly support the region's construction workforce and industry. FCF will continue to monitor and support this project to help ensure compliance with requirements and successful outcomes.

The Low Income Housing Tax Credit Program, Construction Standards & Wages

As the construction industry begins to slowly recover from major shutdowns earlier this year due to the COVID-19 pandemic, residential construction appears to be a major contributor to this recovery. This should not necessarily come as a surprise considering the high demand for single-family homes, low interest rates, and the increasing need for affordable housing. In fact, according to a 2019 report from the Minnesota Housing Finance Agency, there is a shortage of affordable housing for about 65,000 extremely low-income households in Minnesota. This number is now likely higher due to the economic impact of the pandemic. While the construction of affordable housing certainly creates jobs, the use of the Low Income Housing Tax Credit Program (LIHTC) as the primary tool for financing this needed development may actually depress construction standards and wages. Scan for more information on this topic:



Scan the QR Code for more information

Our Mission

The Fair Contracting Foundation promotes prevailing wage law education, compliance and enforcement. It advocates for practices, policies and laws that ensure fair government contracts, a strong local industry and protection of the public interest. We're here to help. Give us a call at 651-797-2726 or toll-free at 1-844-777-0606.